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CUSTOMER NAME AND ADDRESS

ACCOUNT NUMBER

DIV OF OIL-GAS & MINING,

PO BOX 145801

DATE

SALT LAKE CITY UT 84114

7/8/2019

ACCOUNT NAME

DIV OF OIL-GAS & MINING,

TELEPHONE

ORDER # / INVOICE NUMBER

8015385340

0001259335 /

PUBLICATION SCHEDULE

START 07/07/2019 END 07/07/2019

CUSTOMER REFERENCE NUMBER

Docket No. 2019-016, 2019-017, and 2019-018

CAPTION

NOTICE OF HEARING BEFORE THE BOARD OF OIL, GAS AND MINING DEPARTMEN

SIZE

131 LINES

4 COLUMN(S)

TIMES

TOTAL COST

3

885.32

RECEIVED

JUL 16 2019

DIV OF OIL, GAS & MINING

AFFIDAVIT OF PUBLICATION

AS NEWSPAPER AGENCY COMPANY, LLC dba UTAH MEDIA GROUP LEGAL BOOKER, I CERTIFY THAT THE ATTACHED ADVERTISEMENT OF NOTICE OF HEARING BEFORE THE BOARD OF OIL, GAS AND MINING DEPARTMENT OF NATURAL RESOURCES STATE OF UTAH THE STATE OF UTAH TO ALL PERSONS INTERESTED IN THE FOLLO FOR DIV OF OIL-GAS & MINING, WAS PUBLISHED BY THE NEWSPAPER AGENCY COMPANY, LLC dba UTAH MEDIA GROUP, AGENT FOR DESERET NEWS AND THE SALT LAKE TRIBUNE, DAILY NEWSPAPERS PRINTED IN THE ENGLISH LANGUAGE WITH GENERAL CIRCULATION IN UTAH, AND PUBLISHED IN SALT LAKE CITY, SALT LAKE COUNTY IN THE STATE OF UTAH. NOTICE IS ALSO POSTED ON UTAH.LEGALS.COM ON THE SAME DAY AS THE FIRST NEWSPAPER PUBLICATION DATE AND REMAINS ON UTAH.LEGALS.COM INDEFINITELY. COMPLIES WITH UTAH DIGITAL SIGNATURE ACT UTAH CODE 46-2-101; 46-3-104.

PUBLISHED ON Start 07/07/2019 End 07/07/2019

DATE 7/8/2019

SIGNATURE

[Signature]

STATE OF UTAH)

COUNTY OF SALT LAKE)

SUBSCRIBED AND SWORN TO BEFORE ME ON THIS 7TH DAY OF JULY IN THE YEAR 2019

BY LORAIN GUDMUNDSON



[Signature]
NOTARY PUBLIC SIGNATURE

NOTICE OF HEARING
BEFORE THE BOARD OF OIL, GAS AND MINING
DEPARTMENT OF NATURAL RESOURCES
STATE OF UTAH

THE STATE OF UTAH TO ALL PERSONS INTERESTED IN THE FOLLOWING MATTERS

(Docket Nos. 2019-016, 2019-017, and 2019-018)

NOTICE IS HEREBY GIVEN that the Board of Oil, Gas and Mining ("Board"), State of Utah, will conduct a hearing on WEDNESDAY, July 31, 2019, at 10:00 AM, or as soon thereafter as possible, in the auditorium of the Department of Natural Resources, 1594 West North Temple, Salt Lake City, Utah. The hearing will be streamed live on the Department of Natural Resources YouTube channel at <https://youtu.be/xFxaG9UibP1>.

THE HEARING WILL BE CONDUCTED as a formal administrative adjudication in accordance with the rules of the Board as set forth in Utah Administrative Code R641 et seq. and as provided for in Utah Code Ann. § 40-6-1 et seq., Utah Code Ann. § 40-8-1 et seq., and Utah Code Ann. § 63G-4-101 through 601.

DOCKET NO. 2019-016 CAUSE NO. 139-165: In the matter of the Request for Agency Action of Altamont Energy Operating LLC for an order amending the Board's order in Docket No. 2019-006, Cause No. 139-163 and establishing overlapping 2,560-acre drilling unit boundary line drilling units for the production of oil, gas and associated hydrocarbons from the Lower Green River-Wasatch (Colton) Formations in: (1) Sections 1-12, Township 2 South, Range 1 West, U.S.M. and (2) Sections 1 and 12, Township 2 South, Range 2 West, U.S.M., all in Duchesne County and Uintah County, Utah.

THE PURPOSE OF THE PROCEEDING will be for the Board to receive testimony and evidence regarding a Request for Agency Action ("RAA") filed by Altamont Energy Operating LLC ("Altamont"), to enter an order: 1. Establishing overlapping "stand up" 2,560-acre drilling unit boundary line drilling units (a 4-section drilling unit to allow the drilling of a well between two adjoining 1280-acre drilling units, with proceeds of production to be allocated among the interest owners in all 4 sections), for the production of oil, gas and associated hydrocarbons from the Lower Green River-Wasatch (Colton) formations, defined for purposes of this Request for Agency Action ("RAA") as (collectively, "Subject Formations"): The interval from the top of the Lower Green River Formation (Mahogany Marker Bed) to the base of the Green River-Wasatch or top of the North Horn Formation, the stratigraphic equivalent of which is defined as between 7,212 feet and 13,651 feet as shown in the Borehole Compensated Sonic-Gamma Ray Log of the Flying J - Dustin #1 Well located in the NE¼SW¼ of Section 22, Township 2 South, Range 3 West, U.S.M., and as between 6,555 feet and 12,392 feet as shown on the Digital Sonic Log of the Devon 1-2681 Well located in the SW¼SW¼ of Section 26, Township 2 South, Range 1 West, U.S.M., from the following described lands (collectively, "Subject Lands"): Township 2 South, Range 1 West, U.S.M., Sections 1-12, All, Township 2 South, Range 2 West, U.S.M., Sections 1 and 12; All; 2. Declaring the Subject Formations a "common source of supply" as contemplated by Utah Code Ann. § 40-6-2(19); 3. Establishing the Drilling Unit Boundary Line Units upon the Subject lands for the Subject Formations for all future Stacked Long Lateral Horizontal Wells ("Stacked LHZ Wells"), effective the date of issuance of any order of the Board issued pursuant to this RAA; 4. Authorizing the drilling, completion and operation of 3 Stacked LHZ Wells in each Drilling Unit Section Line Unit on the Subject Lands, for the Subject Formations; 5. Providing for future Stacked LHZ Well producing interval setbacks of no further than 100' laterally from the north-south centerline of the Drilling Unit Boundary Line Unit, absent exception location approval by the Board pursuant to Utah Admin. Code Rule R649-3-3; 6. Providing for future Stacked LHZ Well producing interval setbacks of 330' laterally from the north and south drilling unit boundaries of each Drilling Unit Section Line Unit, absent an exception location approval by the Board pursuant to Utah Admin. Code Rule R649-3-3; 7. Providing that there shall be no interwell producing interval setback distance laterally within any Drilling Unit Boundary Line Unit between Stacked LHZ Wells, absent an exception location approval by the Board pursuant to Utah Admin. Code Rule R649-3-3; 8. Providing for producing interval setbacks of 100' vertically from the producing interval of another Stacked LHZ Well within such Drilling Unit Boundary Line Unit, absent an exception location approval by the Board pursuant to Utah Admin. Code Rule R649-3-3; 9. Providing that the surface location of any future Stacked LHZ Well may be located anywhere within any Drilling Unit Boundary Line Unit, or anywhere outside of any Drilling Unit Boundary Line Unit, absent an exception location approval by the Board pursuant to Utah Admin. Code Rule R649-3-3, and subject to the acquisition of proper surface and subsurface estate authorizations and the casing/cementing of any future Stacked LHZ Well to the 330' setback set forth in Paragraph 6 above, to be evidenced by a self-certification of the same executed by the operator of the subject Stacked LHZ Well and filed with the Division, and provided that the Paragraph 6 setbacks above are otherwise maintained; 10. Providing that no Stacked LHZ Well shall be completed in any Drilling Unit Boundary Line Unit until all four sections within such Drilling Unit Boundary Line are held by production from either a horizontal well (as allowed in 139-163) or a vertical well (as allowed in 139-84); 11. Providing a requirement that the operator appear before the Board on the first anniversary of the effective date of any order of the Board issued pursuant to this RAA, and on each of the 4 anniversaries thereafter, for the purpose of: (1) providing the Board with information and data concerning such operator's operations on the Subject Lands pursuant to such order and (2) based thereon, determining the need, if any, for the Board's amendment, modification and/or termination of any such order; 12. Providing for the expiration of any order of the Board issued pursuant to this RAA within 5 years of the date of such issuance, unless otherwise extended, amended, modified and/or otherwise made permanent by the Board; 13. Making such findings and orders in connection with this RAA as it deems otherwise necessary; and 14. Providing for such other and further relief as the Board deems just and equitable under the circumstances.

DOCKET NO. 2019-017 CAUSE NO. 282-02: In the matter of the Request for Agency Action of NGL Supply Terminal Solution Mining, LLC, formerly known as Magnum NGLS Solution Mining, LLC, for an order authorizing operation of underground natural gas liquids storage caverns underlying portions of Sections 22, 23, 26 and 27 of Township 15 South, Range 7 West, S.L.M., Millard County, Utah.

THE PURPOSE OF THE PROCEEDING will be for the Board to receive testimony and evidence regarding a Request for Agency Action ("RAA") from NGL Supply Terminal Solution Mining, LLC, a wholly owned subsidiary of Sawtooth Caverns, LLC, (hereinafter "Sawtooth"), to enter an order: 1. Amending the Findings of Fact, Conclusions of Law, and Order, entered on March 31, 2014, in Docket No. 2014-014, Cause No. 282-01 (the "Order"), to allow Sawtooth to commercially store refined petroleum products, which include diesel, gasoline, jet fuel, and any other refined products as approved by DOGM ("Refined Products"), in addition to the previously allowed storage of NGLs such as butane and propane, in Cavern Wells CW-5, API Well No. 43-027-50002-00-00; CW-6, API Well No. 43-027-50003-00-00; CW-7, API Well No. 43-027-50004-00-00; CW-8, API Well No. 43-027-50005-00-00; and CW-9, API Well No. 43-027-50006-00-00, (the "Existing Cavern Wells"), in accordance with the Storage Cavern Field Operating Plan, and in the additional five planned storage caverns to be constructed in the future in accordance with the Department of Water Quality UIC Permit UTU-27-AP-9232389, as modified (the "UIC Permit") (CW-10, CW-11, CW-12, CW-13, and CW-14, collectively the "Future Cavern Wells"), once those caverns have been released from the DWQ's UIC Permit for operation under the jurisdiction of DOGM; 2. Amend the current Order and Operation Plan to govern the storage of NGLs and Refined Products and to make other changes as approved by the Board for the proposed operation of the Existing and Future Storage Caverns as described herein; 3. Make such findings and enter such orders in connection with this Request as it deems necessary; and 4. Provide such other relief as may be just and proper under the circumstances.

DOCKET NO. 2019-018 CAUSE NO. 187-13: In the matter of the Request for Agency Action of Middle Fork Energy Uinta, LLC for an order modifying the Board's order entered in Cause No. 187-09 and either suspending Utah Admin. Code Rule R649-3-2 or granting exception locations to authorize the drilling of the proposed MK 13C1-23-822H and MK 14C1-23-822H horizontal wells to be located in Sections 14, 15 and 23 of Township 8 South, Range 22 East, SLM, Uintah County, Utah.

THE PURPOSE OF THE PROCEEDING will be for the Board to receive testimony and evidence regarding a Request for Agency Action ("RAA") from Middle Fork Energy Uinta, LLC ("Middle Fork"), to enter an order: 1. Modifying the Board's previous order entered on November 29, 2006 in Cause No. 187-09, and either suspending Utah Admin. Code Rule R649-3-2 (the general well siting rule) or granting exception locations, to authorize the drilling of the following two proposed horizontal wells: MK 13C1-23-822H Well, with a proposed surface hole location 759 feet FNL and 208 feet FEL in the NE¼NE¼ of Section 15, intersection with the Mesaverde and Upper Mancos Groups (being the targeted production interval) at 624 feet FNL and 649 feet FWL in the NW¼NW¼ of Section 14, and terminus 500 feet FSL and 660 feet FWL in the SW¼SW¼ of Section 23, all within Township 8 South, Range 22 East, SLM; and MK 14C1-23-822H Well, with a proposed surface hole location 755 feet FNL and 194 feet FEL in the NE¼NE¼ of Section 15, intersection with the Mesaverde and Upper Mancos Groups (being the targeted production interval) at 672 feet FNL and 1980 feet FWL in the NE¼NW¼ of Section 14, and a terminus 500 feet FSL and 1920 feet FWL in the SE¼SW¼ of Section 23, all within Township 8 South, Range 22 East, SLM, (collectively the "Wells") without the need for establishment of a "temporary drilling unit" as that term is defined in Utah Admin. Code Rule R649-1-1; 2. Directing the Utah Division of Oil, Gas and Mining to approve conforming APDs for the Wells once filed presuming they are complete in all other respects; 3. Making such findings and orders in connection with the RAA as it deems necessary; and 4. Providing for such other and further relief as may be just and equitable under the circumstances.

Objections to the RAA(s) must be filed with the Secretary of the Board at the address listed below no later than July 10, 2019. A party must file a timely written objection or other response in order to participate as a party at the Board hearing. Failure to participate can result in a default judgment. Natural persons may appear and represent themselves before the Board. All other representation of parties before the Board will be by attorneys licensed to practice law in the State of Utah, or attorneys licensed to practice law in another jurisdiction which meet the rules of the Utah State Bar for practicing law before the Utah Courts. Persons interested in this matter may participate pursuant to the procedural rules of the Board. The RAA, and any subsequent pleadings, may be inspected at the office of the undersigned, and inspected online at the Board's website at <http://ogm.utah.gov/cmr/boardatemp/redesign/books.html>. Pursuant to the Americans with Disabilities Act, persons requiring auxiliary communicative aids and services to enable them to participate in this hearing should call Julie Ann Carter at (801) 538-5277, at least three working days prior to the hearing date.

DATED this 25th day of June, 2019.
STATE OF UTAH
BOARD OF OIL, GAS AND MINING
Ruland J. Gill, Jr., Chairman
/s/ Julie Ann Carter
Board Secretary
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